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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001828

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TAGS: [PGOV](#) [PREL](#) [TW](#)

SUBJECT: PFP LEGISLATOR EMBRACES KMT BANNER

REF: TAIPEI 01525

Classified By: AIT Director Douglas Paal, Reason(s): 1.4 (B/D)

1. (C) Summary: Popular People First Party (PFP) Legislator Chou Hsi-wei announced April 13 that he is rejoining the KMT and intends to participate in the KMT Taipei County Magistrate primary race. The PFP responded by announcing it would expel Chou. While Chou did not specify why he was leaving the PFP, political observers judge that he made his decision in order to boost his chances of winning the year-end Taipei County Magistrate election. Few Pan-Blue insiders were surprised at Chou's decision to leave. However, they are divided over whether Chou's action would prompt other PFP legislators to follow suit. While most KMT members welcomed Chou's return to the fold, KMT contenders in the intra-party primary for the Taipei County Magistrate race have responded bitterly, even threatening to run as independent candidates if the party leadership unfairly favored Chou's candidacy. Chou's defection has heightened the sense of crisis within the fragile PFP, and it could be one more blow to James Soong's eroding control over his party. It could paradoxically give Soong more flexibility in upcoming negotiations with the DPP by removing PFP malcontents, but only at the expense of reducing the overall value to the DPP of any bargain he offers. End Summary.

The First Domino?

2. (C) In a much anticipated move, prominent People First Party (PFP) Legislator Chou Hsi-wei announced on April 13 that he intends to rejoin the KMT under the recently revised party charter allowing former members to return (RefTel). While Chou did not specify his reasons for rejoining the KMT, political observers concluded that he was seeking to boost his chances to win the Taipei County Magistrate election in December. One political analyst told AIT that in the current political atmosphere Pan-Blue voters were more likely to vote KMT than PFP. Most local observers agree that if both KMT and PFP run candidates in the Taipei County race, they would cancel out each other and allow the Democratic Progressive Party's (DPP) Luo Wen-chia to win the election. In a press conference to explain his decision, Chou stated that only if the Pan-Blue coalition united to support a single slate of candidates could the coalition win in the year-end magistrate and mayoral elections. He said that he was ready to participate in the KMT primaries by registering as a KMT member and "to act as the first stone in paving the road of future cooperation between the KMT and PFP."

3. (C) Chou told the press that he had informed PFP Chairman James Soong prior to announcing his decision and had received Soong's blessing, but PFP Legislative Caucus Whip Lee Yong-ping disagreed, stating that Chou had not informed Soong or the PFP leadership. PFP Spokesman Hsieh Kung-ping announced that the PFP charter does not allow for dual party membership and that the PFP will strip Chou of his PFP membership. Party insider Raymond Wu told AIT that Chou attempted to contact Soong prior to the April 13 announcement but Soong refused to take his call. This, Wu continued, was Soong's standard operating procedure -- knowing he could not dissuade Chou from his decision to leave, Soong avoided confrontation by delegating his aide Hsia Lung to take Chou's call.

Abandoning a Sinking Ship

4. (C) PFP's Raymond Wu told AIT that Chou's disenchantment with PFP Chairman James Soong dated back to the 2000 presidential campaign when the KMT released damaging information on Soong that led to the "Hsin Piao" financial corruption scandal. So far in his career, Chou has been untainted by financial and marital scandals and is widely perceived by his colleagues and the public to be quite scrupulous in both areas. His more cynical colleagues told AIT, however, that Chou was angry about the Hsin Piao scandal not because of any moral concerns but because he felt the scandal cost Soong the presidential election and, in turn, derailed Chou's own career ambitions. PFP Legislator Daniel Hwang (Yih-jiau) told AIT that Chou did not leave the PFP for ideological reason. He noted that Chou did not even mention the Chen-Soong meeting in his press conference, adding

"everyone knows it is because he wants to be Taipei County Magistrate."  
Who's Next?  
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15. (C) Political observers speculate that Chou's decision to leave might prompt other PFP legislators to defect from the shaky PFP. Already a PFP Kaohsiung City Councilor, Lin Shou-shan, has announced his return to the KMT. PFP Legislators Liu Wen-hsiung and Chung Shao-ho, candidates for Keelung City Mayor and Kaohsiung County Magistrate, respectively, have both vowed to stay with the PFP. PFP Changhua County Magistrate candidate Hsieh Chang-chieh, however, said he would consider all options but promised not to act rashly. Raymond Wu told AIT that PFP Legislators Lee Ching-hua and Lee Ching-an -- son and daughter of KMT elder Lee Huan -- are probably the next to go. He said that PFP legislators Chiu Yi, Sun Ta-chien, and George Hsieh (Kuo-liang) are likely to jump ship by the end of the year, while Lee Yong-ping is on the borderline. Soong loyalist Daniel Hwang, however, insisted that not even the pro-KMT elements in the PFP would follow Chou's example. He pointed out that no one in the PFP has spoken out to defend Chou and that public opinion has been unfavorable to Chou because his action is regarded as self-serving. Hwang also noted that Lee Ching-hua and Lee Ching-an might have been tempted to leave but now that Chou has stolen the thunder by being the first there is no incentive for anyone else to defect.

Mixed Feelings Within KMT  
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16. (C) The KMT leadership, including KMT Secretary General Lin Fong-cheng, Taipei City Mayor Ma Ying-jeou and Legislative Yuan President Wang Jin-pyng, have publicly welcomed Chou's return to the party. KMT Legislator Alex Tsai told AIT that he had paved the way for Chou's return to

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the KMT by arranging a meeting between Chou and KMT Chairman Lien Chan in mid-March. Not everyone in the KMT, however, has welcomed Chou back into the fold. KMT contenders in Taipei County Magistrate race, Legislators Lee Chia-chin and Hung Hsiu-chu, have warned the KMT leadership to conduct the Taipei County Magistrate primary in a transparent manner. Lee Chia-chin even said that he would quit the KMT and run as an independent candidate if he thought the party leadership unfairly favored Chou.

Comment: Good Riddance?  
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17. (C) Chou's defection will heighten the PFP's sense of crisis and be another blow to James Soong's diminishing control over his party. The PFP leadership is trying to prevent further hemorrhaging by immediately announcing that PFP Legislator Lee Hung-chun from Taipei County -- Soong's original choice for PFP Caucus leader -- would stand as the PFP candidate for Taipei County Magistrate. The deep and growing PFP bitterness toward the KMT, based on the conviction that the KMT is poaching PFP ranks, does not bode well for Pan-Blue unity in the December 2005 county/city elections. From another perspective, however, Chou's return to the KMT might be a disguised blessing for the PFP leadership. Departure of Chou and other high profile PFP malcontents might enable Soong to reassert control of the frayed party and provide him with more flexibility in upcoming negotiations with the DPP. However such flexibility comes at the price of reducing the overall value of a PFP deal to the DPP as the party's forces are depleted.  
PAAL